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Attorneys for Complainant

**BEFORE THE
PHYSICAL THERAPY BOARD OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

EUGENE A. SHALES, P.T.

10817 Santa Monica Blvd.
Los Angeles, CA 90025

Physical Therapist License No. PT 3032,
Respondent.

Case No. 1D 2001-62884

OAH No. L2005060339

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER**

In the interest of a prompt and speedy settlement of this matter, consistent with the public interest and the responsibility of the Physical Therapy Board of California ("Board"), the parties hereby agree to the following Stipulated Settlement and Disciplinary Order which will be submitted to the Board for approval and adoption as the final disposition of the Accusation.

PARTIES

1. Steven K. Hartzell ("Complainant") is the Executive Officer of the Board. He brought this action solely in his official capacity and is represented in this matter by Bill Lockyer, Attorney General of the State of California, by Chris Leong, Deputy Attorney General.

2. Respondent Eugene A. Shales ("Respondent") is represented in this proceeding by attorney Donald B. Brown, whose address is 3848 Carson Street, Suite 206,

Torrance, California 90503.

3. On or about May 12, 2005, the Board issued Physical Therapist License No. PT 3032 to Respondent. The license was in full force and effect at all times relevant to the charges brought in Accusation No. 1D 2001-62884, and will expire on February 29, 2008, unless renewed.

JURISDICTION

4. Accusation No. 1D 2001-62884 was filed before the Board, and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on May 19, 2005. Respondent timely filed his Notice of Defense contesting the Accusation. A copy of Accusation No. 1D 2001-62884 is attached as Exhibit A and is incorporated herein by reference.

ADVISEMENT AND WAIVERS

5. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. 1D 2001-62884. Respondent has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary Order.

6. Respondent is fully aware of his legal rights in this matter, including his right to a hearing on the charges and allegations in the Accusation; his right to be represented by counsel at his own expense; his right to confront and cross-examine the witnesses against him; his right to present evidence and to testify on his own behalf; his right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; his right to reconsideration and court review of an adverse decision; and all other rights accorded to him by the California Administrative Procedure Act and other applicable laws.

7. Respondent voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above.

CULPABILITY

8. Respondent admits the truth of each and every charge and allegation in Accusation No. 1D 2001-62884.

1 9. Respondent agrees that his Physical Therapist license is subject to
2 discipline and he agrees to be bound by the Board 's imposition of discipline as set forth in the
3 Disciplinary Order below.

4 CIRCUMSTANCES IN MITIGATION

5 10. Respondent Eugene A. Shales has never been the subject of any
6 disciplinary action. He is admitting responsibility at an early stage in the proceedings.

7 RESERVATION

8 11. The admissions made by Respondent herein are only for the purposes of
9 this proceeding, or any other proceedings in which the Board or other professional licensing
10 agency is involved, and shall not be admissible in any other criminal or civil proceeding.

11 CONTINGENCY

12 12. This stipulation shall be subject to approval by the Board. Respondent
13 understands and agrees that counsel for Complainant and the staff of the Physical Therapy Board
14 of California may communicate directly with the Board regarding this stipulation and settlement,
15 without notice to or participation by Respondent or his counsel. By signing the stipulation,
16 Respondent understands and agrees that he may not withdraw his agreement or seek to rescind
17 the stipulation prior to the time the Board considers and acts upon it. If the Board fails to adopt
18 this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary Order shall
19 be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action
20 between the parties, and the Board shall not be disqualified from further action by having
21 considered this matter.

22 13. The parties understand and agree that facsimile copies of this Stipulated
23 Settlement and Disciplinary Order, including facsimile signatures thereto, shall have the same
24 force and effect as the originals.

25 14. In consideration of the foregoing admissions and stipulations, the parties
26 agree that the Board may, without further notice or formal proceeding, issue and enter the
27 following Disciplinary Order:
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1. License Suspension The respondent's license shall be suspended for thirty (30) days.

3. Obey All Laws Respondent shall obey all federal, state and local laws, and statutes and regulations governing the practice, inspections and reporting, of physical therapy in California and remain in full compliance with any court ordered criminal probation.

5. Compliance with Criminal Probation and Payment of Restitution Respondent shall not violate any terms and conditions of criminal probation and shall be in compliance with any restitution ordered, payments or other orders.

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of perjury on forms provided by the Board, stating whether there has been compliance with all conditions of probation.

7. Probation Monitoring Program Compliance Respondent shall comply with the Board's probation monitoring program.

8. Interview with the Board or its Designee Respondent shall appear in person for interviews with the Board, or its designee, upon request at various intervals.

9. Notification of Probationer Status to Employers The Respondent shall notify all present or future employers of the reason for and the terms and conditions of the probation by providing a copy of the Initial Probationary License, Statement of Issues, Accusation and the Decision and Order, or Stipulated Settlement to the employer, and submit written employer confirmation of receipt to the Board within 10 days. The notification(s) shall include the name, address and phone number of the employer, and, if different, the name, address and phone number of the work location.

10. Notification of Change of Name or Address The respondent shall notify the Board, in writing, of any and all of name and/or address changes within ten days.

11. Restriction of Practice - Temporary Services Agencies The respondent shall not work for a temporary services agency or registry.

12. Restriction of Practice - Clinical Instructor of Physical Therapy Student Interns or Foreign Educated Physical Therapist License Applicants Prohibited. Respondent shall not supervise any physical therapy student interns or foreign educated physical therapist license applicants during the entire period of probation. Respondent shall terminate any such supervisory relationship in existence on the effective date of this probation.

13. Prohibited Use of Aliases Respondent shall not use aliases and shall be prohibited from using any name which is not his/her legally-recognized name or based upon a legal change of name.

14. Intermittent Work If the respondent works less than 192 hours as a physical therapist in the physical therapy profession in a period of three months, those

1 months shall not be counted toward satisfaction of the probationary period. The respondent
2 shall notify the Board if they work less than 192 hours in a three-month period.

3 15. Tolling of Probation The period of probation shall run only during
4 the time respondent is practicing or performing physical therapy within California. If,
5 during probation, respondent does not practice or perform within California, respondent is
6 required to immediately notify the probation monitor in writing of the date that respondent
7 is practicing or performing physical therapy out of state, and the date of return, if any.

8 Practicing or performing physical therapy by the respondent in California prior to
9 notification to the Board of the respondent's return will not be credited toward completion
10 of probation. Any order for payment of cost recovery shall remain in effect whether or not
11 probation is tolled.

12 16. Violation of Probation If respondent violates probation in any
13 respect, the Board, after giving respondent notice and the opportunity to be heard, may
14 revoke probation and carry out the disciplinary order that was stayed. If an accusation or
15 petition to revoke probation is filed against respondent during probation, the Board shall
16 have continuing jurisdiction until the matter is final, and the period of probation shall be
17 extended until the matter is final.

18 17. Request to Surrender License Due to Retirement, Health or Other
19 Reasons Following the effective date of this probation, if respondent ceases practicing or
20 performing physical therapy due to retirement, health or other reasons or is otherwise
21 unable to satisfy the terms and conditions of probation respondent may request to surrender
22 his/her license to the Board. The Board reserves the right to evaluate the respondent's
23 request and to exercise its discretion whether to grant the request, or to take any other
24 action deemed appropriate and reasonable under the circumstances. Upon formal
25 acceptance of the tendered license, the terms and conditions of probation shall be tolled
26 until such time as the license is no longer renewable, the respondent makes application for
27 the renewal of the tendered license or makes application for a new license.

28 18. Completion of Probation Upon successful completion of probation,

respondent's license shall be fully restored.

19. California Law Examination - Written Exam on the Laws and Regulations Governing the Practice or Performance of Physical Therapy Within 90 Days of the effective date of this decision, respondent shall take and pass the Board's written examination on the laws and regulations governing the practice of physical therapy in California. If respondent fails to pass the examination, respondent shall be suspended from the practice of physical therapy until a repeat examination has been successfully passed.

20. Practice or Performance of Physical Therapy While on Probation

It is not contrary to the public interest for the respondent to practice and/or perform physical therapy under the probationary conditions specified in the disciplinary order. Accordingly, it is not the intent of the Board that this order, the fact that the respondent has been disciplined, or that the respondent is on probation, shall be used as the sole basis for any third party payor to remove respondent from any list of approved providers.

21. Probation Monitoring Costs Respondent shall reimburse all costs incurred by the Board for probation monitoring during the entire period of probation. Respondent will be billed at least quarterly. Such costs shall be made payable to the Physical Therapy Board of California. Failure to make ordered reimbursement within 60 days of the billing shall constitute a violation of the probation order.

22. Restriction of Practice - Monitoring Within thirty (30) days of the effective date of this decision, the respondent shall select a licensed physical therapist to serve as the professional practice monitor during the period of probation and submit the name of the licensed physical therapist selected to the Board for approval. The professional practice monitor shall be selected from an established pool of physical therapists licensed to practice in the State of California who are currently serving as trained expert consultants to the Board. After the professional practice monitor has been approved by the Board, the professional practice monitor in conference with the Board's probation monitor will establish the schedule upon which clinical visits will be made to respondent's place of employment to review respondent's current practice and respondent's adherence to the

1 terms of probation. The professional practice monitor shall report to the Board's probation
2 monitor on compliance with the terms and conditions of the respondent's probation after
3 each clinical visit. The report shall indicate whether respondent's practices are within the
4 standards of practice of physical therapy or billing, or both, and whether respondent is
5 practicing physical therapy safely, billing appropriately or both.

6 Should the professional practice monitor resign or no longer be available,
7 the Board shall within 15 days, appoint another physical therapist from the pool of expert
8 consultants.

9 Respondent shall pay all monitoring costs, including the cost of the
10 professional practice monitor within a time frame agreed upon by the professional practice
11 monitor but shall not exceed more than 15 days succeeding each clinical visit.

12 Respondent shall make all patient records available for immediate
13 inspection by the professional practice monitor at all times, or for copying on premises, and
14 shall retain all records for the entire term of probation.

15 Respondent shall make all appropriate records available for immediate
16 inspection by the Board's probation monitor at all times, or for copying on premises, and
17 shall retain all records for the entire term of probation.

18 Failure to comply with any component of this condition as specified above is
19 a violation of probation.

20 23. Restriction of Practice - No Employment or Supervision of Physical
21 Therapist License Applicants, Physical Therapist Assistant License Applicants Respondent
22 shall not supervise any physical therapist license applicants, or physical therapist assistant
23 applicants during the entire period of probation. Respondent shall terminate any such
24 supervisory relationship in existence on the effective date of this probation.

25 24. Restriction of Practice - No Employment or Supervision of Physical
26 Therapist Assistants Respondent shall not supervise any physical therapist assistants
27 during the entire period of probation. Respondent shall terminate any such supervisory
28 relationship in existence on the effective date of this Decision.

25. Restriction of Practice - No Employment or Supervision of Physical Therapy Aides Respondent shall not supervise any physical therapy aides during the entire period of probation. Respondent shall terminate any such supervisory relationship in existence on the effective date of this Decision.

26. No New Offices Respondent shall not open any new office while on probation.

ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, Donald B. Brown. I understand the stipulation and the effect it will have on my Physical Therapist License. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Board.

DATED: March 24, 2006.

Original Signed By:
EUGENE A. SHALES
Respondent

I have read and fully discussed with Respondent Eugene A. Shales the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

DATED: March 24, 2006.

Original Signed By:
DONALD B. BROWN
Attorney for Respondent

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ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby
respectfully submitted for consideration by the Board.

DATED: April 25, 2006.

BILL LOCKYER, Attorney General
of the State of California

Original Signed By:
CHRIS LEONG
Deputy Attorney General
Attorneys for Complainant

DOJ Matter ID: LA2005500544
Shales Stipulated Decision.wpd

Exhibit A

Accusation No. 1D 2001 62884

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STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

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Physical Therapist License No. PT 3032,
Respondent.

Case No. 1D 2001-62884

OAH No. L2005060339

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the Physical Therapy Board of California, Department of Consumer Affairs, as its Decision in this matter.

This Decision shall become effective on July 10, 2006.

IT IS SO ORDERED June 9, 2006.

Original Signed By:
FOR THE PHYSICAL THERAPY BOARD OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS
Donald A. Chu, PhD, PT, President